

**SECTION 5307/5339
PROGRAM OVERSIGHT GUIDE**



**Indianapolis Public Transportation Corporation
Administrative Offices
1501 W. Washington Street
Indianapolis, Indiana 46222**

MAY 2022

Contents

- PREFACE..... 6
- PROGRAM BACKGROUND 7
 - IPTC and Section 5307/5339 7
 - Legislative Background for Federal Transit Funding Support..... 7
- DEFINITIONS..... 9
- PROGRAM GOALS AND OBJECTIVES 14
 - Program Goal..... 14
 - Program Objectives 14
 - Other Planning Efforts..... 14
 - Comprehensive Operational Analysis (COA) 14
 - Coordinated Plan 15
 - IMPO Metropolitan Transportation Plan 15
 - Indianapolis Regional Transportation Improvement Program (IRTIP)..... 15
- ROLES AND RESPONSIBILITIES 15
 - Federal Transit Administration 15
 - INDOT 16
 - Designated Recipient- IPTC..... 16
 - Subrecipients..... 16
 - Transit Service Provider- Third Party Contractors 17
 - IPTC, Subrecipients, Transit Service Providers 17
- COORDINATION 18
 - Public Involvement..... 18
 - Transportation Improvement Program (TIP) 19
- ELIGIBLE RECIPIENTS AND SUBRECIPIENTS 19
- ELIGIBLE SERVICES AND SERVICE AREAS 20
 - Eligible Public Transit Service 20
 - Joint Urbanized and Rural Projects..... 21
 - Services Not Eligible for Assistance 21
- ELIGIBLE ASSISTANCE CATEGORIES 21
 - Capital Grants 21
 - Operating Grants 21
 - Operating Assistance Formula..... 22
- LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS 24
 - Eligible Local Funding Sources 24
 - Fare Revenue and Local Match 24
 - Program Income and Local Match 24
 - Capital Grants 24
 - Operating Grants 25
- METHOD OF DISTRIBUTING FUNDS AND PROJECT SELECTION CRITERIA..... 25
 - Federal Apportionment of Funds..... 25
 - IPTC Allocation of Funds: Section 5307/5339 25
 - Project Selection Criteria – Operating 25
 - Project Selection Criteria – Capital 26

ANNUAL POP DEVELOPMENT, APPROVAL PROCESS, AND APPEAL PROCESS	26
Review Process – Section 5307	26
Review Process – Section 5339	26
Notification of Award and Appeal Process – If Application Required.....	26
Program of Projects.....	27
Grant Agreement Execution	27
FUND TRANSFERS.....	27
New Subrecipients and Allocation Formula for Operating Grants.....	27
Reallocation of Unspent or Unmatched Funds	27
ADMINISTRATION & TECHNICAL ASSISTANCE.....	28
PRIVATE SECTOR PARTICIPATION	28
TITLE VI (CIVIL RIGHTS)	28
General Civil Rights Requirements	29
Disadvantaged Business Enterprise (DBE)	30
DBE Reporting Requirements	30
CLAIMS AND REQUIRED REPORTING	31
Monthly Reports	31
Claims.....	31
Annual Report.....	31
SECTION 504 AND ADA REPORTING.....	31
SATISFACTORY CONTINUING CONTROL.....	32
Management Requirements.....	32
VEHICLE AND EQUIPMENT MAINTENANCE	32
Preventative Maintenance Plan	32
Expected Maintenance	33
VEHICLE AND EQUIPMENT USE.....	33
DISPOSITION OF EQUIPMENT AND VEHICLES.....	33
Determination of Fair Market Value and Federal Interest.....	34
Fair Market Value.....	34
Federal Interest	34
Disposition Before the End of Useful Life	34
Like-Kind Exchange Policy	34
Transfer of Assets No Longer Needed – Non-FTA Subrecipients.....	35
Transfer of Assets No Longer Needed – FTA Subrecipients.....	35
Casualty, Fire, Natural Disaster, and Misused Property.....	35
Disposition After the End of Useful Life	36
Subrecipient to Subrecipient Transfer	36
Sell and Use Proceeds for Other Capital Projects	36
Unused Supplies.....	36
VEHICLE CATEGORIES AND USEFUL LIFE.....	37
Vehicle Categories	37
Vehicle Useful Life	37
Vehicle Replacement Planning and Group TAM Plan	37
NTD REPORTING	37

IPTC PROGRAM MANAGEMENT	38
REPORTING	38
ECHO Requests.....	38
Federal Funding Accountability and Transparency ACT (FFAT) Requirement	38
Reporting	38
MONITORING	38
Review of monthly and annual reports	39
Annual Site Visit and Desktop Review	39
Capital Asset Database.....	39
Title VI, DBE, EEO, LEP, EEO	39
Lobbying.....	40
Financial Management.....	40
AUDITING AND PROJECT CLOSE-OUT	40
Auditing.....	40
Project Close-out.....	40
PROCUREMENT.....	40
Standards	41
Purchasing and Leasing – Methods of Procurement	44
EQUIPMENT MAINTENANCE	47
Vehicle Maintenance	47
VEHICLE & EQUIPMENT USE.....	47
SATISFACTORY CONTINUING CONTROL.....	47
FACILITY CONSTRUCTION AND RENOVATION	47
LOCAL COMPLAINTS.....	48
OTHER PROVISIONS	49
Exclusive School Transportation	49
Drug and Alcohol Testing	49
Restrictions on Lobbying.....	49
Miscellaneous Requirements	49

FUNDING DISCLAIMER

Notice: This publication has been financed in part through a grant from the United States Department of Transportation (USDOT), Federal Transit Administration (FTA) under the provision of Section 5307 of the Federal Transit Act, as amended.

PREFACE

The Indianapolis Public Transportation Corporation Subrecipient Oversight Guide for 49 U.S.C. 5307/5339 is designed to support subrecipients with information needed to fulfill all requirements associated with federal financial assistance and federal transit laws as expressed in the Federal Transit Administration (FTA) Circular 9030.1E and FTA C 5100.1. This plan also details IPTC's plan for administering the Section 5307/5339 program and serves as a source of guidance to subrecipients and interested parties.

Inquiries concerning the Section 5307/ 5339 Program should be directed to:

Indianapolis Public Transportation Corporation
1501 W. Washington Street
Indianapolis, Indiana 46222

help-subrecipient@indygo.net

PROGRAM BACKGROUND

IPTC and Section 5307/5339

Section 5307 funds are utilized for supporting capital and operating expenses for public transportation in urbanized regions across the US. Section 5339 supports only capital projects for public transportation.

IPTC recommends that current subrecipients and potential applicants review this plan and other program related materials prior to applying for a grant or contracting to provide transportation. This Management Plan explains the policies and procedures used by the Indianapolis Public Transportation Corporation (IPTC), known as IPTC, to implement the 49 U.S.C. Section 5307 and 5339 programs pursuant to state and federal guidelines and agreements as the designated recipient in the Indianapolis urbanized area.

Legislative Background for Federal Transit Funding Support

Since the 1950s, the United States has evolved in its discussions, planning and support of ground transportation initiatives. Although public transit legislation first moved forward as part of The Housing Act of 1961 and was broached to Congress by President Kennedy in 1962, it wasn't until July 9, 1964, that President Lyndon Johnson would sign the Urban Mass Transportation Act into law. The Urban Mass Transportation Act provided \$375 million in capital assistance to public transportation activities over three years. In time, new transportation legislation would be adopted to aid economic efficiency and livability for the growing number of U.S. citizens living in urban areas. The Urban Mass Transportation Assistance Act of 1970 was a landmark decision to authorize long-term federal funding of mass transportation.

As local, state, and federal lawmakers recognized the multifold benefits of the nation's growing transportation systems additional legislation resulted to support surface transportation. In 1974, due to high maintenance and operational costs incurred by aging transit agencies, the National Mass Transportation Assistance Act of 1974 authorized mass transit operating subsidies.

Amendments grew to not only include funding operating expenses but also funding programs that supported transit loans, matching grants, research, planning, demonstration projects, coordinated efforts with Housing and Urban Development, and discretionary and formula grant programs.

Significant legislative actions include:

The National Mass Transportation Assistance Act of 1974, Pub. L. 93-503,
The Surface Transportation Assistance Act of 1978, Pub. L. 95-599,
The Surface Transportation Assistance Act of 1982, Pub. L. 97-424, Section 9,
The Surface Transportation and Uniform Relocation Assistance Act of 1987 (STURAA),
Pub. L. 100-17, and The Intermodal Surface Transportation and Efficiency Act of 1991 (ISTEA), Pub. L. 102-240.

In 1994, Pub. L. 103-272 codified Section 9 of the Urban Mass Transportation Act, "Block Grants," at 49 U.S.C. 5307, and The Federal Transit Act of 1998, Title II of the Transportation Equity Act for the

21st Century (TEA-21), Pub. L. 105-178, in 1998 changed the heading for 49 U.S.C. 5307 to “Urbanized Area Formula Grants.” Congress would continue to authorize changes to transit programs and funding through The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, Public Law 109-59 (August 2005) and P.L. 112-141, the Moving Ahead for Progress in the 21st Century Act (MAP-21).

In 2012, MAP-21 modified the program’s formula for fund apportionment by increasing the amount of funding apportioned under the Small Transit Intensive Cities formula from 1 percent to 1.5 percent of available program funds. Also added was a new apportionment component based on a UZA’s low-income population, an amount equal to 3.07 percent of available program amounts. Operating assistance remained based on population. In UZAs with populations less than 200,000 operational assistance remained. Previously authorized exemptions for specific UZAs over 200,000 were repealed and replaced with a single nationwide exemption for fixed route transit operators that operate fewer than one hundred buses in peak service. Qualifying operators are eligible for operating assistance in an amount based on an individual operator’s percentage of all public transportation services in the UZA; the actual amount available may be determined by a local formula or agreement.

MAP-21 also established a new Section 5339 Bus and Bus Facilities Formula Program (Bus Program), creating a new formula program for UZAs while maintaining a discretionary program. Funding is allocated to states and territories and designated recipients in urbanized areas. The purpose of the new Bus Program is to assist eligible recipients in replacing, rehabilitating, and purchasing buses and related equipment; and to construct bus-related facilities, thus allowing subrecipients to address replacement and capital expansion needs.

MAP-21 expanded eligible activities to include job access and reverse commute projects, which provide nontraditional transportation services intended to serve the employment-related transportation needs of welfare recipients and low-income individuals. These projects were previously eligible under the repealed Section 5316 Job Access and Reverse Commute Program. MAP-21 included directions to FTA to establish and implement broad public transportation safety and asset management regulations.

DEFINITIONS

Definitions are applicable to this plan and to related federal funding, and thus incorporated from 49 U.S.C. 5302, 5307 and 5339 as well as other FTA circulars and pertinent U.S. Codes.

- a. Applicant. In this plan, the term “applicant” is used to identify an entity that is seeking, but has not yet been awarded, specific federal financial assistance directly from FTA. The term “applicant” is used interchangeably with “grant applicant.”
- b. Capital Asset. Facilities or equipment with a useful life of at least one year.
- c. Capital Lease. Any transaction whereby the recipient acquires the right to use a capital asset without obtaining full ownership regardless of the tax status of the transaction.
- d. Capital Project. A category of reimbursable project expenses that includes all activities identified in 49 U.S.C. 5307(d)(1). Eligible activities under this project category are explained in Section F of this plan.
- e. Coordinated Plan. See “Locally Developed, Coordinated Public Transit–Human Services Transportation Plan.”
- f. Cost of Project Property. This is the net invoice unit price, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the intended purpose. Other charges, such as the cost of inspection, installation, transportation, taxes, duty, or in-transit insurance, should be treated in accordance with the subrecipient’s regular accounting practices, in the same or as separate line items.
- g. Designated Recipient. The term “designated recipient” means: (i) an entity designated in accordance with the planning process under Sections 5303 and 5304, by the governor of a state, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts to urbanized areas of 200,000 or more in population as authorized under 49 U.S.C. § 5336 ; or (ii) a state or regional authority, if the authority is responsible under the laws of a state for a capital project and for financing and directly providing public transportation.
- h. Direct Recipient. For purposes of this plan, a direct recipient is an eligible entity authorized by a designated recipient or state to receive Urbanized Area Formula Program funds directly from FTA.
- i. Electronic Clearing House Operation (ECHO) System. ECHO is an FTA Web-based application system that processes payment requests from FTA subrecipients.
- j. Electronic Award Management System. A system that subrecipients and FTA use to manage grant applications, including the review, approval, and management of all grants. This system is used by subrecipients to submit financial status reports and milestone progress reports and to submit grant modification requests; this term includes FTA’s transportation electronic award and management (TEAM) system and its successor.
- k. Equipment. An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost that equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes,
- l. or \$5,000. Equipment includes rolling stock and all other such property used in the provision of public transit service.
- m. Fixed Guideway. The term “fixed guideway” means a public transportation facility (i) using and occupying a separate right-of-way for the exclusive use of public transportation; (ii) using rail;

- (iii) using a fixed catenary system; (iv) for a passenger ferry system; or (v) for a bus rapid transit system.
- n. Fleet Management Plan. The management plan includes an inventory of all buses among other items, such as operating policies, peak vehicle requirements, maintenance and overhaul programs, system and service expansions, rolling stock procurements and related schedules, and spare ratio justification. The plan also calculates the number of rolling stock needed to operate at peak normal days.
 - o. Fleet Status Report. A report in FTA's electronic award management system that identifies rolling stock to be replaced, retired, or disposed.
 - p. Force Account. The use of a subrecipient's own labor force to accomplish a capital project. Force account does not include grant or project administration, preventive maintenance, mobility management, or other nontraditional capital project types. Further guidance on force account work is available in FTA Circular 5010.1E.
 - q. Governor. The term "governor" means the governor of a state, the mayor of the District of Columbia, and the chief executive officer of a territory of the United States; and includes the designee of the governor.
 - r. Grant. An award of financial assistance in the form of money, or property in lieu of money, by the federal government to an eligible recipient. Used interchangeably with Grant Agreement.
 - s. Grant Application. A complete application for an award of financial assistance in the form of money, or property in lieu of money, by the federal government to an eligible recipient.
 - t. Growing States. States forecasted to expand in population size based upon annual population estimates and estimates determined by the decennial census. See 49 U.S.C. 5340(c)(1).
 - u. High Density States. States with population densities in excess of 370 persons per square mile. See 49 U.S.C. 5340(d)(1).
 - v. Intelligent Transportation Systems (ITS). Intelligent transportation systems refers to the use of electronics, communications, or information processing used as a single component or in combination to improve efficiency or safety of a transit or highway system.
 - w. Job Access and Reverse Commute Project. A category of reimbursable project expenses that includes activities identified under 49 U.S.C. 5302(9), as explained in Chapter IV of this circular.
 - x. Large Urbanized Area. An urbanized area (UZA) with a population of at least 200,000 at the time of the last decennial census.
 - y. Local Governmental Authority. The term "local governmental authority" includes a political subdivision of a state; an authority of at least one state or political subdivision of a state; an Indian tribe; and a public corporation, board, or commission established under the laws of a state.
 - z. Locally Developed, Coordinated Public Transit-Human Services Transportation Plan. A plan that identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes; provides strategies for meeting those local needs; and prioritizes transportation services for funding and implementation.
 - aa. Low-Income Individual. The term "low-income individual" means an individual whose family income is at or below 150 percent of the poverty line, as that term is defined in Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that Section, for a family of the size involved.
 - bb. Master Agreement. The official FTA document containing FTA and other cross-cutting federal requirements applicable to the FTA recipient and its project(s). The Master Agreement is incorporated by reference and made part of each FTA grant, and amendment thereto.

- cc. Metropolitan Planning Area. The geographic area determined by agreement between the metropolitan planning organization (MPO) for the metropolitan area and the governor of the state, within which the metropolitan transportation planning process is carried out.
- dd. Metropolitan Planning Organization (MPO). The policy board of an organization designated in cooperation with the state and public transportation operators to carry out the metropolitan planning process, including development of long-range transportation plans and transportation improvement programs for metropolitan planning areas of a state. The Indianapolis MPO's Transportation Policy Committee is the designated MPO for the Indianapolis urbanized area.
- ee. Mobility Management. Mobility management is a capital project activity that consists of short-range planning and management activities and projects for improving coordination among public transportation and other transportation service providers carried out by a recipient or sub-recipient through an agreement entered into with a person, including a government entity, under 49 U.S.C. Chapter 53 (other than 49 U.S.C. 5309). Mobility management is a type of capital project.
- ff. Monitoring. Monitoring is a standard process to ensure that all technical specifications and contract requirements are met by subrecipients for FTA programs.
- gg. National Transit Database (NTD). The NTD is FTA's primary source for information and statistics collected from transit systems that receive FTA formula funding under the Urbanized Area Formula Program (Sec. 5307) or Rural Area Formula Program (Sec. 5311). Public transportation systems receiving funds from these programs are required by statute to report to the NTD.
- hh. Net Project Cost. The part of a project that reasonably cannot be financed from revenues. See 49 U.S.C. 5302(12). Revenues, in this instance, means farebox revenues.
- ii. New Bus Model. The term "new bus model" means a bus model (including a model using alternative fuel) that has not been used in public transportation in the United States before the date of production of the model; or has been used in public transportation in the United States, but is being produced with a major change in configuration or components.
- jj. Operating Expenses. Operating expenses are those costs necessary to operate, maintain, and manage a public transportation system. Operating expenses usually include such costs as driver salaries, fuel, and items having a useful life of less than one year.
- kk. Overhaul. Overhaul is a capital expense performed as a planned or concentrated preventive maintenance activity and intended to enable the rolling stock to perform to the end of the original useful life.
- ll. Pass-through entity. Per Fed Register OMBIII § 200.74 Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program. (2 CFR Chapter I, Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule)
- mm. Preventative Maintenance. All maintenance costs related to vehicles and non-vehicles. Specifically, it is defined as all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner, up to and including the current state of the art for maintaining such an asset.
- nn. Private Nonprofit Organization. A corporation or association determined by the secretary of Treasury to be an organization qualifying under 26 U.S.C. 501(c) as exempt from taxation under 26 U.S.C. 501(a), or which has been determined under state law to be private nonprofit and for which the designated state agency has received documentation certifying the status of the private nonprofit organization.

- oo. Program of Projects (POP). A program of projects (POP) is a list of projects proposed by a designated recipient in cooperation with a metropolitan planning organization to be funded from the urbanized area's Section 5307 apportionment. The POP includes a brief description of the projects, including any sub-allocation among public transportation providers, total project costs, and federal share for each project.
- pp. Program Income. Program income means gross income earned by the recipient or subrecipient that is directly generated by a supported activity or earned as a result of the Grant or Cooperative Agreement during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under federal Awards, the sale of commodities or items fabricated under a federal Award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal assistance. Interest earned on advances of federal assistance is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal Award, program income does not include rebates, credits, discounts, taxes, special assessments, levies, and fines raised by a recipient and subrecipient, and interest earned on any of them.
- qq. Public Transportation. The term "public transportation" means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income; and does not include: intercity passenger rail transportation provided by the entity described in Chapter 243 (or a successor to such entity); intercity bus service; charter bus service; school bus service; sightseeing service; courtesy shuttle service for patrons of one or more specific establishments; or intra-terminal or intra-facility shuttle services.
- rr. Rebuild. Rebuild is a capital expense associated with rolling stock that occurs at or near the end of a unit of rolling stock's useful life, and which results in an extended useful life for the unit of rolling stock consistent with the extent of the rebuilding.
- ss. Recipient. For purposes of this circular, the term "recipient" means an entity that receives a grant of Urbanized Area Formula Program funds directly from FTA. In this circular, the word "recipient" is used interchangeably with "direct recipient," and "subrecipient."
- tt. Request for proposal. A request for proposal (RFP) is a business document that announces a project, describes it, and solicits bids from qualified contractors to complete it.
- uu. Rural Area. The term "rural area" means an area encompassing a population of less than
- vv. 50,000 people that has not been designated in the most recent decennial census as an "urbanized area" by the secretary of the Department of Commerce.
- ww. Senior. The term "senior" means an individual who is 65 years of age or older.
- xx. Shared Use. Those instances in which a project partner, separate from the transit agency or subrecipient, occupies part of a larger facility and pays for its pro rata share of the construction, maintenance, and operation costs. Shared uses are declared at the time of grant award.
- yy. Small Transit Intensive City (STIC). An urbanized area with less than 200,000 in population at the time of the last decennial census that provides public transportation service FTA has determined meets or exceeds the industry average for all UZAs with a population of at least 200,000 but not more than 999,999 in one or more of the following performance criteria: passenger miles traveled per vehicle revenue mile; passenger miles traveled per vehicle revenue hour; vehicle revenue miles per capita; vehicle revenue hours per capita; passenger miles traveled per capita; and passengers per capita. See 49 U.S.C. 5336(j)(1).

- zz. Small Urbanized Areas. As used in the context of FTA formula grant programs small urbanized areas are UZAs with a population of at least 50,000 but less than 200,000.
- aaa. State. The term “state” means a state of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, and the Virgin Islands.
- bbb. Statewide Transportation Improvement Program (STIP). A statewide prioritized listing/program of federally funded transportation projects covering a period of four years that is consistent with the long-range statewide transportation plan, metropolitan transportation plans (MTPs), and transportation improvement program (TIP), and required for projects to be eligible for funding under title 23 of the U.S. Code and 49 U.S.C. Chapter 53.
- ccc. Sub-Recipient. An entity that receives FTA funds via a pass-through agreement with a direct recipient or designated recipient, whereby the original recipient remains responsible for compliance with all terms, conditions, and requirements associated with the grant.
- ddd. Transit. The term “transit” means public transportation.
- eee. Transportation Improvement Program (TIP). A prioritized listing/program of transportation projects covering a period of four years that is developed and formally adopted by an MPO as part of the metropolitan transportation planning process, consistent with the MTP, and required for projects to be eligible for funding under title 23 of the U.S. Code and 49 U.S.C. Chapter 53.
- fff. Triennial Review. The process by which FTA meets its statutory obligation to review and evaluate completely every three years the performance of a recipient of Urbanized Area Formula Program funds and how the recipient meets statutory and administrative requirements, especially those requirements included in the annual certifications and assurances. In addition to evaluating compliance with federal law, the review gives FTA an opportunity to provide technical assistance on the latest FTA requirements.
- ggg. Unified Planning Work Program (UPWP). A program of work identifying the planning priorities and activities to be carried out within a metropolitan planning area (MPA) during the next one- or two-year period. At a minimum, a UPWP includes a description of the transportation planning work and resulting products, the organization that will be responsible for performing the work, time frames for completing the work, the cost of the work, and the source(s) of funds.
- hhh. Uniform System of Accounts (USOA). The USOA is a structure of categories and definitions used for NTD reporting to ensure uniform data. The USOA contains various categories of accounts and records for classifying financial (Chart of Accounts) and operating data.
- iii. Urbanized Area (UZA). An area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an “urbanized area” by the secretary of the Department of Commerce.
- jjj. Useful Life. The expected lifetime of project property, or the acceptable period of use in service. Useful life is used interchangeably with “service life.” Note: Land does not depreciate and therefore does not have a useful life.
- kkk. Vendor. A vendor, or third-party participant means each participant in the Recipient’s Project, except for FTA and the Recipient, whose work under the Project is supported with FTA funding, eligible non-federal share dedicated to the Project, or is dedicated as an in-kind contribution eligible for non-federal share. A Third-Party Participant may be a Subrecipient, Third-Party Contractor, Third-Party Subcontractor, Lessee, or Similar Participant in the Recipient’s Project (for example, a partner in a joint development venture).

PROGRAM GOALS AND OBJECTIVES

Program Goal

Per FTA, the Urbanized Area Formula Funding program (49 U.S.C. 5307) purpose is to make Federal resources available to urbanized areas and to Governors for transit capital and operating assistance and for transportation related planning in areas designated as urbanized areas.

Pursuant to 49 U.S.C. 5339, Federal Transit Administration (FTA) awards grants under this section to the designated recipients in large urbanized areas (UZAs) and states for the purpose of financing capital bus and bus-related projects that will support the continuation and expansion of public transportation services in the United States.

The mission of the Indianapolis Public Transportation Corporation, also known as IPTC, is to connect our community to economic and cultural opportunities through safe, reliable, and accessible mobility experiences.

Community wide and multi-agency transportation goals are achieved in this cooperative effort, and federal resources reach public transportation providers that support the community's daily living goals, including economic self-sufficiency.

Program Objectives

IPTC adheres to the following program objectives for Section the 5307/5339 Program:

- a. Support the mobility of residents in the Indianapolis urbanized area through the provision of public transportation.
- b. Maximize existing resources to support public transportation.
- c. Solicit public and stakeholder input to understand public transportation needs.
- d. Ensure recipients, both direct and subrecipients, are adhering to applicable federal, state, and local regulations.
- e. Seek additional funding opportunities to continue existing public transportations erVICES and expand upon them.

Other Planning Efforts

Comprehensive Operational Analysis (COA)

IPTC reviews its routes for efficiency and effectiveness on a regular basis. A comprehensive operational analysis (COA) is performed every four to five years. The COA planning process reviews existing performance information, updated demographics and employment data, and provides recommendations for routing and/or schedule changes. The COA is the blueprint for IPTC service and affects the agency's capital and operational planning.

Coordinated Plan

The Public Transportation-Human Services Coordinated Transportation Plan is a federally required planning effort, facilitating coordination efforts between public, private, and not-for-profit providers, especially those transporting individuals with a disability and/or seniors. The planning effort generates a project list that is used by applicants seeking Section 5310 competitive funds. The planning effort identifies existing services, current service gaps, and proposed solutions.

IMPO Metropolitan Transportation Plan

Formerly known as the IMPO Long Range Transportation Plan (LRTP), the Metropolitan Transportation Plan (MTP) provides the blueprint for current and planned federal investments in transportation in the Central Indiana region. Public transportation is a key part of the plan. The MTP establishes the goals and objectives for regional transportation, identifies strengths and weaknesses, outlines the available resources, and prioritizes regional transportation projects. The projects identified are regional in nature, such as new roadways, new bus routes, and roadway widenings. The plan is fiscally constrained with a planning horizon of between twenty and thirty years.

Indianapolis Regional Transportation Improvement Program (IRTIP)

The Indianapolis Regional Transportation Improvement Program contains projects that are or will receive federal surface funding. The IRTIP is the federally-required TIP for the Indianapolis UZA. Surface transportation projects include roadway widenings, intersection improvements, and public transportation projects, among others. The horizon for the IRTIP is four years, with regular updates every two years. The IRTIP usually includes a year of projects that have not yet received federal funding but have been approved when the funds become available. The IMPO Policy Committee approves the IRTIP. FTA projects must be included in the IRTIP.

ROLES AND RESPONSIBILITIES

Roles and responsibilities for implementation and administration of the Section 5307 Program require action at the Federal, State, and local levels and are described below. In addition to the roles stated below, all awarded parties will be governed, and are responsible for complying with Federal regulations in FTA C 9030.1E (2014), FTA C 5100.1 (2015) and FTA C 5010.1E (2018) while fulfilling the below roles.

Federal Transit Administration

The Federal Transit Administration (FTA) is the federal oversight agency. The FTA headquarters office in Washington, D.C. is responsible for: providing overall policy and program guidance for the Section 5307 program; allocating funds annually to the States; developing and implementing financial management procedures; initiating and managing program support activities; and conducting national program review and evaluation.

The FTA Region V Office in Chicago is responsible for the day-to-day administration of the program. Regional office activities includes: reviewing and approving state and designated recipient grant applications; obligating funds; working with grant awardees to implement the annual program; receiving state and designated recipient certifications and revisions to the program of projects; review and approval of State Management Plans; oversight of state management responsibilities; and overall grant management.

INDOT

For this program, INDOT typically does not provide significant day to day interaction. Projects from the IRTIP are included in the state transportation improvement program (STIP).

However, the Indiana Department of Transportation (INDOT) will provide full support in ensuring the transition to Section 5307 by assisting with asset transfer when and if needed for equipment purchased with INDOT Section 5307/5339 funds, and continuing FTA-required trainings (drug and alcohol compliance training) through their Rural Transportation Assistance Program (RTAP).

Designated Recipient- IPTC

IPTC has been designated by the Governor of Indiana as the agency responsible for administering the Section 5307 program in the Indianapolis urbanized area, which includes portions of Hamilton, Hancock, Hendricks, Marion, and Johnson Counties. Under the Section 5307 program, IPTC as the designated recipient receives and apportions the FTA funds to regional authorities or to other public agencies within the applicable Urbanized Areas (UZA). UZAs meet special population standards using decennial census reporting and are subject to change following a decennial census.

IPTC's role is to develop program criteria, notify eligible applicants about the fund availability, solicit applications, review applications, select applications for approval, ensure fair and equitable distribution of funds, adhere to federal and state program guidelines, certify eligibility of service provider third party contractors, reimburse County Subrecipients, monitor grants, ensure that audits are performed on all Section 5307 grants, and grant project close out. For more information about the responsibility of a designated recipient, please refer to the current FTA circular for Section 5307/5339.

Subrecipients

Subrecipients for Section 5307 funding are responsible for committing local match to the federal share and supplying all supporting documentation as required by IPTC. Subrecipients must assess and identify the transit need, plan an appropriate transit system, and establish the funding plan. Subrecipients may directly operate the transit system or contract for service with a private for-profit or nonprofit provider. In either case, subrecipients are responsible for: compliance with program requirements (federal and state); project management and management oversight; monitoring budgets, service, and subcontracts; ongoing service planning; and ensuring that audits are performed in accordance with FTA and IPTC requirements; submitting invoices to IPTC for reimbursement; completing monthly, quarterly, or annual reports as necessary, and contractor oversight.

Under a purchase of service arrangement, subrecipients are required to enter into a contract with the transit provider before expenditures may be reimbursed by IPTC under a grant contract. IPTC requires that any applicant contemplating a purchase of service arrangement procure those services competitively; IPTC must review and approve all documents prior to the procurement as well as any resulting award and contract.

Entities seeking to receive Section 5307/5339 funding should contact IPTC to understand its responsibilities.

Transit Service Provider- Third Party Contractors

The Transit Service Providers' role is to manage the day-to-day activities of the 5307 Program Award. In doing so, the provider's role is to provide non-discriminatory public transportation in the UZA; document UZA services and operate in accordance with contract details, program requirements, and regulations related to 5307 financial assistance; and cooperate in audits related to the 5307 Program financial award. Transit providers are also responsible for preparing required reports and processing allowable operational expenses for reimbursement in accordance with contract, IPTC, state and federal requirements.

IPTC, Subrecipients, Transit Service Providers

Transit service providers, subrecipients, and IPTC as direct recipient are all responsible for complying with federal laws, regulations, and executive orders to include:

(1) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.) provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

(2) U.S. Department of Transportation (DOT) regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964," 49 CFR part 21.

(3) FTA Circular 4702.1B "Title VI Requirements and Guidelines for Federal Transit Administration Recipients." This document provides FTA recipients and subrecipients with guidance and instructions necessary to carry out DOT Title VI regulations (49 CFR part 21), and DOT Policy Guidance Concerning Recipient's Responsibilities to Limited English Proficient (LEP) Persons (70 FR 74087, December 14, 2005).

(4) U.S. DOT Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficient (LEP) Persons (December 14, 2005). This Executive Order 13166 guidance clarifies the responsibilities of recipients of federal financial assistance from DOT and assists them in fulfilling their responsibilities to LEP persons, pursuant to Title VI of the Civil Rights Act of 1964 and Executive Order 13166.

(5) FTA Circular 4703.1 “Environmental Justice Policy Guidance for Federal Transit Administration Recipients.” This document provides FTA recipients and subrecipients with guidance and instructions necessary to carry out DOT Order 5610.2, Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, and Executive Order 12898 on Environmental Justice. The DOT Order describes the process that the office of the secretary of Transportation and each operating administration will use to incorporate environmental justice principles into existing programs, policies, and activities.

(6) U.S. DOT Order to Address Environmental Justice in Minority Populations and Low-Income Populations. DOT Order 5610.2 describes the process that the office of the secretary of Transportation and each operating administration will use to incorporate environmental justice principles (as embodied in Executive Order 12898 on Environmental Justice) into existing programs, policies, and activities.

(7) Equal Employment Opportunity. The recipient agrees to comply, and assures the compliance of each third-party contractor and each sub-recipient at any tier of the project, with all equal employment opportunity (EEO) requirements of Title VII of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000e), and with 49 U.S.C. 5332 and any implementing regulations DOT may issue.

(8) Nondiscrimination on the Basis of Sex. The recipient agrees to comply with all applicable requirements of Title IX of the Education Amendments of 1972, as amended, (20 U.S.C. 1681 et seq.), with DOT implementing regulations, “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 CFR part 25.

(9) Nondiscrimination on the Basis of Age. The recipient agrees to comply with all applicable requirements of the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.), and Department of Health and Human Services’ (DHHS) implementing regulations, “Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance” (45 CFR part 90), which prohibit discrimination against individuals on the basis of age. In addition, the recipient agrees to comply with all applicable requirements of the Age Discrimination in Employment Act (ADEA), 29 U.S.C. 621 through 634, and Equal Employment Opportunity Commission (EEOC) implementing regulations, “Age Discrimination in Employment Act” (29 CFR part 1625), which prohibit employment discrimination against individuals on the basis of age.

COORDINATION

Public Involvement

For efficient and effective public transportation, public involvement is essential in providing a service that addresses community needs. IPTC strongly encourages participation in a local Transportation Advisory Committee (TAC) or board. The local TAC is expected to encourage private sector participation and afford an opportunity for input in plan developments.

Transportation Improvement Program (TIP)

Section 5307 / 5339 transit systems located within metropolitan planning boundaries must submit their transit projects to the applicable Metropolitan Planning Organization (MPO) for inclusion in the current Transportation Improvement Program (TIP). Guidance is provided in 23 CFR Part 450 and 49 CFR Part 613. IPTC submits its grant and the grants for subrecipients to the Indianapolis Metropolitan Planning Organization (IMPO) for inclusion in the Indianapolis Regional Transportation Improvement Program (IRTIP). The public process for the IRTIP is the process that IPTC uses to meet the public participation requirements for POP.

ELIGIBLE RECIPIENTS AND SUBRECIPIENTS

Federal funding guidelines specify eligibility for assistance. The following are eligibility criteria for the levels of participation in the current Section 5307 / 5339 Program for the Indianapolis urbanized area.

DESIGNATED RECIPIENT. A requirement for funding under Section 5307 is the selection of a designated recipient for Section 5307 in a UZA. The recipient(s) so designated in each UZA must be a governmental authority and have the legal authority to receive and dispense federal funds in the UZA. IPTC was selected as the designated recipient for the Indianapolis urbanized area.

DIRECT RECIPIENT. According to FTA Circular 9030.1E, a state or designated recipient may authorize another public entity to be a “direct recipient” for Section 5307 funds. A direct recipient is a public entity that is legally eligible under federal transit law to apply for and receive grants directly from FTA. The designated recipient may make this authorization one time or at the time of each application submission, at the option of the designated recipient.

The designated recipient must inform FTA of the arrangement in a “split letter,” which establishes the allocation of Section 5307 funds in a large UZA. A state must inform FTA of such arrangements in an annual apportionment letter for funds attributable to small UZAs. Once an agency has been authorized to apply to FTA as a direct recipient, it is not necessary to repeat this authorization upon each future allocation of program funds.

A public agency other than the designated recipient may apply for some or all of the UZA’s Section 5307 apportionment if: (1) The state or designated recipient authorizes the public agency to do so; (2) The public agency submits an independent grant application; and (3) Upon award of the grant, the designated recipient and the public agency execute a supplemental agreement, which releases the designated recipient from any liability under the grant agreement. The supplemental agreement permits the grant recipient (e.g., direct recipient) to receive and expend the federal funds and sets forth that the grant recipient assumes all responsibilities of the grant agreement. This supplemental agreement is required for all subrecipients in UZAs under 200,000 in population, as well as for all recipients in UZAs with populations of at least 200,000 that are not a designated recipient.

The amount of funds available to direct recipients is determined cooperatively by public transit providers, the MPO, and the designated recipient(s) for the UZA, in adherence with federal planning requirements and communicated to FTA by the designated recipient. FTA can only make grants to

direct recipients after the designated recipient provides a split or suballocation letter to the FTA regional office.

SUB-RECIPIENT ARRANGEMENTS. A Section 5307 recipient, whether a designated recipient or direct recipient, may choose to pass its grant funds through to another entity (sub-recipient) to carry out a project eligible under Section 5307.

For example, sub-recipient arrangements may be utilized to allocate funding to projects undertaken by a smaller cooperating agency on behalf of a designated or direct recipient, or to a private nonprofit organization that is responsible for a job access and reverse commute project within or near the service area of a designated or direct recipient. Unlike supplemental agreements between a direct recipient and FTA, a sub-recipient arrangement does not relieve the original recipient of its responsibilities to carry out the terms and conditions of the grant agreement.

Eligible sub-recipients:

1. Public entities otherwise eligible to become direct recipients under Section 5307, or
2. Private nonprofit operators for purposes of carrying out eligible job access and reverse commute projects.

To establish a sub-recipient arrangement, the recipient must:

1. Enter into a written agreement with the sub-recipient that assures FTA that the sub-recipient will comply with its obligation to satisfy the requirements of the grant agreement;
2. Inform the FTA regional office of the arrangement in its grant application or through other documentation; and
3. Inform FTA of any changes in that arrangement during the life of the project.

If public transportation service within a UZA is provided by a private nonprofit organization, an FTA designated or direct recipient may choose to enter into a contracted service arrangement to fund the service using Section 5307 funds. This situation may occur after the Census Bureau revises its UZA boundaries as a result of the decennial census. For example, the revised boundaries may result in a formerly rural transit service being incorporated into a UZA. Such an arrangement would be subject to federal procurement laws and regulations, including the requirement for a competitive procurement. Further information on competitive procurement requirements is available in FTA Circular 5010.

ELIGIBLE SERVICES AND SERVICE AREAS

Eligible Public Transit Service

Eligible services which may be funded under the Section 5307/5339 program include any transportation service provided by bus, shared-ride taxi, or other publicly or privately owned conveyance that serves the general public on a regular basis in primarily urbanized areas. Eligible projects may constitute an entire public transit system, a particular service or function within that service, or an individual route or route segment. Service may include transportation to and from

urbanized areas. The services should primarily serve the urbanized area. Preferably, both trip ends occur in the urbanized area, however, there may be instances where only one end of the trip is in the urbanized area. If Section 5307/5339 funds are used in a joint urbanized and nonurbanized project, Section 5307/5339 funds must be used primarily to assist the urbanized portion of the project. Urbanized/Nonurbanized services should be coordinated whenever possible (i.e., drop-offs/transfers from demand response providers at the urbanized fixed route stops).

Joint Urbanized and Rural Projects

In some instances, a subrecipient may provide public transportation to nonurbanized areas. These subrecipients should use Section 5311 funds only to assist the rural portion of those localities. Such situations will require the subrecipient to comply with both IPTC and INDOT requirements for these types of projects. At a minimum, IPTC may require subrecipients to document the urbanized/nonurbanized split of trips.

Services Not Eligible for Assistance

Any exclusive ride taxi service and service to individuals or groups which exclude use by the general public.

ELIGIBLE ASSISTANCE CATEGORIES

Capital Grants

IPTC will make Section 5339 funds available for limited capital expenses. The Section 5339 share may not exceed 80 percent of the net capital cost. Examples of eligible capital expenses included, but are not limited to:

- a. Buses, vans, or other paratransit vehicles;
- b. Radios and communications equipment;
- c. Wheelchair lifts and restraints;
- d. Vehicle rehabilitation;
- e. Operational support such as computer hardware and software;

Section 5307 funds can be used for capital expenditures. Subrecipients who wish to use Section 5307 funds for a capital purchase should contact IPTC.

Operating Grants

In accordance with regional transit planning, IPTC, as designated recipient, ensures the allocation of Section 5307 operating assistance funds for transit agencies in the Indianapolis urbanized area utilizing Section 5307 operating assistance funds.

Operating assistance under Section 5307 funding supports operating costs necessary to operate, maintain, and manage a public transportation system. Such costs include driver salaries, fuel, and items having a useful life of less than one year.

Operating Assistance Formula

Operating assistance is not permissible for operators utilizing more than 100 buses in peak service. However, smaller operators may utilize funds for operations. There are two methods to determine the amount of funding that can be utilized for operations for Section 5307 funds.

1. Per FTA C 9030.1E, the operating cap is calculated by dividing the UZA's apportionment by the total number of vehicle revenue hours reported in the UZA from all public operators and multiplying this quotient by the number of total vehicle revenue hours operated in the UZA by the eligible system, and then by either 50 or 75 percent as indicated above.
2. If the agency using the funds has fewer than 75 buses in peak service, then the amount of funding that can be distributed to them for operations can be determined by a separate methodology.

In the Indianapolis UZA, the amount of funding available to subrecipients in the Indianapolis urbanized area is determined by a separate formula based on a locally-developed methodology.

Cost Calculation

Accrual basis of accounting.

Guidelines for Expense Eligibility

Eligible operating expenses are derived as the remainder when various categories of ineligible expenses are subtracted from total operating expenses. Cost Principles in 2 CFR 225 apply.

Expenses Eligible and Not Eligible for Operating Assistance

Whereas the most current OMB Cost Principles (2 CFR part 225) are to be used as guidelines for the eligibility of specific types of expenses, the following are examples of eligible operating expenses:

<i>Eligible Operating Expenses</i>	<i>NOT Eligible for FTA Assistance</i>
<i>Fuel, wages, and other expenses incurred in the operation of public transportation services to or within the UZA;</i>	<i>Public transportation services wholly outside of the UZA;</i>
<i>Pension benefits and contributions to a pension plan, only if actually paid and only up to a maximum of the current year accrual.</i>	<i>School bus operations for the exclusive transportation of students. (This does not apply to the carrying of students in regularly scheduled public transportation services). Charter bus operations, sightseeing services, or Intercity transportation other than commuter service.</i>
<i>Self-insurance costs are limited to the extent of actual contribution to a reserve for an approved self-insurance program.</i>	<i>Interest expense on long-term borrowing and debt retirement;</i>
<i>Purchase of service contracts for public transportation services (except that certain portions</i>	<i>Freight haulage; Lobbying expenses;</i>

<i>of a service contract may be treated as a capital expense under the Capital Cost of Contracting);</i>	
<i>Interest and other financial costs associated with borrowing to provide working capital for the payment of current operating expenses. The recipient must properly document the loan agreement and open it to audit.</i>	<i>Expenses for contingencies including contributions to a capital reserve account or Fund.</i>
<i>Operating expenses associated with special public transportation services for people with disabilities (some of these costs may be supported with capital funds); Amortization of leasehold improvements may be eligible; recipients should discuss this with IPTC or FTA regional office guidance.</i>	<i>Capitalized costs or expenses recognized as part of and reimbursable under another FTA project.</i>
<i>For private operators, a reasonable return on investment (profit) is eligible expense.</i>	<i>Expenses incurred by a governor, a designated recipient, or other agency in its capacity as an intermediary for providing Urbanized Area Formula Program funds between FTA and the public transportation operating entity;</i>
<i>Eligible public transportation security operating assistance projects (for UZAs with a population of 200,000 or less).</i>	<i>Indirect public transportation-related functions or activities of state, regional, or local entities performed as a normal or direct aspect of general public administration;</i>
<i>Staff salaries for personnel exclusively involved with security; contracts for security services; and any other operating projects intended to increase the security and safety of an existing or planned public transportation system.</i>	<i>For private operators of public transportation, provision for federal, state, or local income taxes;</i>
<i>Indirect costs provided that there is an approved cost allocation plan before incurring costs. direct labor, material, and overhead expenses incurred during a specified project period, most often contractual services directly related to the management and operations of public transportation services.</i>	<i>Depreciation accrued by public operators, depreciation on facilities or equipment purchased with public (federal, state, or local) capital assistance, depreciation of an intangible asset, depreciation in excess of the rate otherwise used for income tax purposes, or both;</i>
<i>Emergency services covering the transport of disaster victims and refugees. (Special Conditions and declarations apply.)</i>	<i>Revenue items that directly offset public transportation expenses (referred to as contra-items), such as the following: Interest income earned on working capital; Proceeds from the sale of equipment in excess of the depreciated value (private operators only); Cash discounts and refunds that directly offset accrued expenses; Insurance claims and reimbursements that directly offset accrued liabilities; and State fuel tax rebates to public operators. ‘</i>

LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS

Eligible Local Funding Sources

Local funding can be comprised of one or a combination of the following:

- Cash from non-Government sources other than revenues from providing public transportation services;
- From revenues from the sale of advertising and concessions;
- From an undistributed cash surplus, a replacement or depreciation cash fund or reserve, or new capital;
- From amounts appropriated or otherwise made available to a department or agency of the Government (other than the Department of Transportation) that are eligible to be expended for transportation such as PMTF;
- From amounts received under a service agreement with a State or local social service agency or private social service organization; and
- Market value of allowable in-kind contributions.

More information about local match eligibility, accounting, and valuation can be found in 2 CFR 200.

Fare Revenue and Local Match

Fares can be used for local match, but only for the following program year, unless the subrecipient decides to request the vendor to reduce the required service reimbursement amount by deducting the collected fare revenue.

Program Income and Local Match

Other program income may also be used for local match, but only for the following program year, unless the subrecipient decides to request the vendor to reduce the required service reimbursement amount by deducting the collected fare revenue. Examples of program income include advertising income, concession revenues, or fees that an institution, such as a college, imposes for free or reduced transit service.

Capital Grants

The Federal share for Section 5339 capital projects may not exceed 80 percent of the net project cost. Additionally, FTA allows other sources as local funding under special conditions and pre-determined approvals:

1. Revenue Bond proceeds;
2. Transportation Development Credits;
3. Other non-DOT Federal Funds such as Housing and Urban Development Community Development Block Grant Funds, and
4. Public - Private Partnership Donations of In-Kind Contributions directly related to the project.

See FTA C 5100.1 for more information.

Operating Grants

Section 5307 operating assistance requires:

1. Subrecipients deduct farebox revenues from operating costs to arrive at the net operating cost.
2. Subrecipients document the source of local share, provide 50% local share, and allow auditing of local fund accounts as a Federal condition of operating assistance.
3. Eligible operating expenses be incurred on the accrual basis of accounting during the respective operating project period.

METHOD OF DISTRIBUTING FUNDS AND PROJECT SELECTION CRITERIA

Federal Apportionment of Funds

The Federal Transit Administration (FTA) apportions Section 5307/5340 and Section 5339 funds to each state through a congressionally mandated formula using Census and NTD data.

IPTC Allocation of Funds: Section 5307/5339

- a. IPTC Administrative & Technical Assistance Funding: Up to 10 percent of the annual Section 5307/5339 apportionment may be assigned to administer the program and provide technical assistance to applicants and existing transit systems. Technical assistance may include project planning and development, management and operations, maintenance, and coordination of public transportation resources and programs (public and private). IPTC's technical assistance program is explained in more detail later in this section.
- b. Operating Assistance Project Funding (Section 5307): The remaining percentage of the annual Section 5307 apportionment is allocated to existing subrecipients by a formula. The funding is allocated based on an agreed-upon formula. The formula allocates all monies generated from the FTA formula for rapid transit to the respective agencies providing rapid transit. All remaining funding is split between the different counties using a baseline formula.
- c. Discretionary Capital Funding (Section 5339): IPTC's funding component for the bus and bus facilities program is an annual discretionary program with projects selected based on age and condition of current fleet, administration capabilities, utilization of project equipment, and quality of application. The amount for each calendar year will be announced to potential Section 5339 subrecipients.

Project Selection Criteria – Operating

Recipients of Section 5307 operating funds were identified in a separate planning effort. Any potential new providers of public transportation within the Indianapolis UZA will be vetted and included in the Indianapolis UZA operating assistance formula on a case-by-case basis.

Project Selection Criteria – Capital

Vehicles are considered the priority capital purchase at this time. Other capital items may be considered, however, and will be noted in the project application.

IPTC will announce to the subrecipients the opportunity to submit an application for Section 5339 funding. The funding available will be included in the announcement. Eligible projects will also be included in the announcement. Capital projects require local match of 20%. See Local Share and Local Funding Requirements for more information on local share information.

Projects will be selected based on asset condition and utilization. Priority in an individual or Group TAM Plan may also be considered, in addition to demographic considerations. All applications must be complete and follow the application requirements. The applicant must provide adequate information for IPTC to evaluate the value and need for the project.

All applicants are required to submit Title VI documentation to IPTC for submission to FTA. Any changes or updates to this information must be included in the grant application and/or submitted to IPTC as requested. IPTC monitors subrecipients to make sure there have been no civil rights complaints filed against the transit system since startup. Transit systems are required to post the Civil Rights Act of 1964 in the workplace where the workers can view it (see the Title VI (Civil Rights) for subrecipient requirements).

Capital purchases are required to be included in the IMPO's IRTIP. IPTC will work with the subrecipients to include the appropriate information in the paperwork for the IRTIP.

ANNUAL POP DEVELOPMENT, APPROVAL PROCESS, AND APPEAL PROCESS

Review Process – Section 5307

Budgets for Section 5307 subrecipients will be reviewed every year. Continuing participation in the Section 5307 process will be dependent on adhering to the subrecipient grant agreement.

Review Process – Section 5339

The IPTC will review and rate the Section 5339 applications using the application review and ranking forms included in the call for projects. IPTC will convene select staff to review and rank the applications. If needed, county TACs may be requested to prioritize projects. Based on the IPTC rankings, the 5307/5339 Program Manager will make project selections. Project selections may not be based on highest scores but may consider available funds and other application considerations.

Notification of Award and Appeal Process – If Application Required

Applicants will receive written notification of IPTC's decision. Any applicant not receiving approval of their application may appeal the selection decision to the 5307/5339 Program Manager. The process for filing an appeal is as follows:

- a. Applicant must send an appeal to IPTC via email at help-subrecipient@indygo.net.
- b. IPTC will conduct a preliminary review, and if necessary, request additional information.
- c. IPTC's Section 5307/5339 Program Manager will make a final decision within 30 days of the appeal request and notify the applicant in writing shortly thereafter.

Program of Projects

The selected applications and the existing Subrecipient's 5307/5339 applications will be listed in the IMPO's IRTIP. Capital and operating assistance will be listed separately but all subrecipients will be listed together. Prior to submitting the POP to the IRTIP, IPTC staff will review and approve. This Program of Projects will then be presented to the IMPO Transportation Policy Committee for review and approval. The POP is then submitted to FTA for approval.

Grant Agreement Execution

After the award notification, IPTC will execute a grant agreement with each applicant (for Section 5339); for Section 5307 funds, the grant agreement will be executed with the subrecipient. Section 5339 applicants will then become a subrecipient, if not already a subrecipient.

The agreement describes the responsibilities of each party. If the subrecipient is a county, the agreement must be signed by the Board of Commissioners or designee. If the subrecipient is a city, the agreement must be signed by the Mayor or designee. If the subrecipient is a town, the agreement must be signed by the President of the Board of Trustees or designee. The IPTC Program Administrator and any other IPTC entities then sign the agreement.

The grant agreement execution may take several weeks. IPTC returns a copy of the fully executed agreement to the subrecipient.

FUND TRANSFERS

New Subrecipients and Allocation Formula for Operating Grants

Any new subrecipient approved for operating funding will need to be added to the funding formula and resulting funding impacts in future years discussed with existing subrecipients.

Reallocation of Unspent or Unmatched Funds

If funding is not utilized for a program year, funding may be rolled over to the next year, provided there are no negative affects to overall FTA funding for the region.

For funds that are not matched for a program year, IPTC may choose to transfer the unspent funds to another subrecipient, the designated recipient, or rollover the funds to the next year. IPTC will work with each subrecipient to discuss challenges to spending down funding or finding matching funds.

Funds advertised for a competitive grant program that are not claimed may be reallocated to the designated recipient, carried into the next program year, or used to increase the awards of applicants in the current program year.

ADMINISTRATION & TECHNICAL ASSISTANCE

IPTC may offer technical assistance to urban public transit providers in the areas of planning, funding and vehicle and equipment procurement. These areas of assistance are described below:

1. Planning - This type of assistance is available upon request and may include transit feasibility studies, ridership surveys, ridership estimates, routing and scheduling, revenue and cost projections, and an identification of equipment needs.
2. Financing - IPTC may help applicants/subrecipients identify alternative funding sources and may assist in preparing grant budgets.
3. Vehicle Procurement. For Section 5339 grant awards, vehicles are purchased through Indiana Department of Administration (IDOA) Quantity Purchase Awards (QPAs). IDOA is responsible for soliciting, reviewing and approving all bids for vehicles.
4. Equipment Procurement. For Section 5339 grant awards, equipment such as computers may be purchased from state quantity purchase awards by IPTC or by the subrecipient. Subrecipients may also purchase equipment through their approved procurement process.
5. Training - IPTC supports providers seeking training through the National Transit Institute (NTI) and RTAP, as INDOT allows.

PRIVATE SECTOR PARTICIPATION

IPTC requires that subrecipients make every effort possible to coordinate available resources under operating and capital grants. Subrecipients must encourage every possible transportation provider (including private-for-profit) to participate in the project. Successful coordination would include the commitment of other local agencies to purchase service, share resources, and use the transit system.

IPTC also requires local Transportation Advisory Committees (TAC) include representatives from private transportation providers, if available, to be involved in public transit planning.

TITLE VI (CIVIL RIGHTS)

IPTC will collect assurances and documentation on Title VI, Equal Employment Opportunity (EEO), Environmental Justice, disability (ADA/504), Limited English Proficiency (LEP), etc. from subrecipients. These assurances will be submitted as part of a standard list of assurances provided by subrecipients to IPTC.

General Civil Rights Requirements

Subrecipients are required to submit the following information to IPTC for submission to FTA. This information is also updated as necessary in the subrecipients' annual Section 5339 grant application or annual subrecipient monitoring meeting, or as requested by IPTC.

- An explanation of the posting and notice to the public that indicates the recipient complies with Title VI, and informs members of the public of the protections against discrimination afforded to them by Title VI.
- A list of any Title VI and EEO investigations, complaints, or lawsuits filed with the agency since the time of the last submission.
- A copy of the agency's notice to the public that it complies with Title VI and EEO and instructions to the public on how to file a discrimination complaint.
- A public participation plan that includes an outreach plan to engage minority and limited English proficient (LEP) populations, as well as a summary of outreach efforts made since the last Title VI Program submission; this potentially includes a copy of the agency's alternative framework for providing language assistance.
- A table depicting racial composition of membership of any non-elected planning boards, advisory councils or committees, or similar bodies and a description of efforts made to encourage the participation of minorities on such committees or councils.
- If the recipient has constructed a facility, such as a vehicle storage facility, operation center, etc., the recipient shall include a copy of the Title VI equity analysis conducted during the planning stage with regard to the location of the facility.
- A Board of Directors resolution or meeting minutes demonstrating the board approved the Title VI program.
- A description of fare or service adjustments, or policy or activity changes as conducted by the recipient, which would have a disproportionately high and adverse effect on minority or low-income populations as required by Environmental Justice requirements. This should include an explanation what mitigation measures or alternative actions were evaluated or implemented to reduce the effects with regard to the social, economic and environmental impacts to minority and low-income populations as well as assurances that all potentially affected communities had full and fair participation in the transportation decision-making process. If your agency is considering raising fares, please contact IPTC.
- An EEO (Title VII) program for recipients employing 50 or more transit-related employees and requests/receives capital and operating assistance in excess of \$1 million or requests/receives planning assistance in excess of \$250,000. In addition, evidence is to be provided of threshold recipient or subrecipient monitoring of contractor's EEO program plan to ensure compliance and that affirmative action efforts are met.

Subrecipients looking for guidance on Title VI programs can refer to FTA, RTAP, or contact IndyGo for examples or additional guidance.

Disadvantaged Business Enterprise (DBE)

Subrecipients and their subcontractors are subject to the U.S. Department of Transportation (USDOT) rules regarding the participation of disadvantaged business enterprises (DEB) in USDOT-assisted contracts. All recipients of Section 5307/5339 funds must agree to at least three provisions of FTA's DBE requirements, regardless of the dollar amount of Federal financial assistance. For capital purchases where IPTC's procurement conducts the procurement, these requirements will be met by IPTC. IPTC will, during its annual site visits, monitor subrecipient compliance with DBE.

- All subrecipients must continue to provide data on the DBE program to IPTC, as directed; and,
- All subrecipients must create and maintain a bidders list, consisting of all firms bidding on prime contracts and bidding or quoting on subcontracts or DOT-assisted contracts. For every firm, the following information must be included:
 - Firm name;
 - Firm address;
 - First status as a DBE or non-DBE;
 - Age of the firm; and,
 - Annual gross receipts of the firm.
- Each contract signed between a subrecipient and subcontractor/vendor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:
 - *The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.*

DBE Reporting Requirements

DBE goal projects and data are submitted by Section 5307/5339 subrecipients as part of a combined Section 5307 invoicing report through the IPTC claim process. FTA excludes the purchase of vehicles from DBE goal calculations.

Subrecipients who receive over \$250,000 in contractual obligations in a Federal fiscal year must prepare a DBE program pursuant to [49 CFR part 26, Subpart B](#), Section 26.21. Section 5307/5339 recipients who fall into this category should contact IPTC for guidance on DBE program preparation.

All prospective DBE firms must be certified in the State of Indiana. The Indiana Department of Transportation, Economic Opportunity Division (EOD) certifies firms under the State of Indiana program. Lists of certified firms are available in both written form and at

http://www.in.gov/indot/files/dbe_list.xls. Subrecipients should note that only firms that are “certified” (not “registered”) conform to U.S. DOT requirements.

CLAIMS AND REQUIRED REPORTING

Monthly Reports

IPTC requires all subrecipients receiving operating assistance to report financial and operating data on a monthly basis. Failure to provide the requested reports may result in IPTC withholding future reimbursement requests under the grant agreement. IPTC may request other records and documents for compliance purposes.

Claims

Subrecipients may submit claims on a monthly basis but no less than a quarterly basis. Claims must be verified using appropriate documentation and must be signed by the subrecipient’s designated contact. Claims will be reviewed by IPTC and additional information may be required prior to claim processing.

In the event that a subrecipient is not compliant and is showing no progress towards compliance, per the Agreement and as notified by IPTC, the claim may be denied until compliance is established.

Annual Report

Subrecipients will be required to submit an annual report to IPTC. Information requested for the annual report will be provided to the subrecipient.

SECTION 504 AND ADA REPORTING

IPTC will collect Section 504/ADA assurances from subrecipients prior to passing through FTA funds. These Section 504/ADA assurances will be submitted as part of a standard list of assurances provided by subrecipients to IPTC.

During its annual review, IPTC will review the following Section 504/ADA requirements:

1. Agency’s maintenance preventative maintenance schedule for wheelchair lifts/ramps and related equipment.
2. A list of any Section 504/ADA investigations, complaints, or lawsuits filed with the agency since the time of the last submission.
3. Does the agency continue to provide equivalent services to persons with disabilities (Response time, fares, geographic service area, hours and days of service, restrictions on trip purpose, availability of information and reservation capability, and constraints on capacity or service availability)?
4. Does the subrecipient have procedures for investigating and tracking ADA complaints filed against them and making their procedures for filing a complaint available to members of the public upon request?

5. Does subrecipient have written policies regarding transporting of mobility devices, service animals, personal care attendants, and portable oxygen?
6. Does the subrecipient have procedures in place to ensure that its emergency preparedness, disaster response, and disaster recovery planning and operations comply with Federal ADA and civil rights requirements?

SATISFACTORY CONTINUING CONTROL

Subrecipients must maintain satisfactory continuing control over facilities and equipment and ensure that they are used in transit service. A subrecipient must demonstrate control and use as required in FTA Circular 5010.1E. Any change in the use of vehicles or equipment must be approved by IPTC.

Management Requirements

The subrecipient shall provide management records of all vehicles and equipment based on the following, as a minimum effort:

- a. Description of vehicle or equipment;
 - b. serial or identification number;
 - c. purchase date and price;
 - d. source of property;
 - e. title holder (owner);
 - f. federal participation;
 - g. physical location;
 - h. current use and condition;
 - i. disposal data; and
 - j. disposal price.
2. A physical inventory of vehicles and equipment is required and the results reconciled with the control records at least every two years. A subrecipient must maintain a listing of a vehicle inventory, peak vehicle requirements, and active vehicles.
 3. A control system must be developed to safeguard against loss, damage, or theft of vehicles and equipment. Each subrecipient is required to maintain adequate insurance coverage as required by federal, state and local law.
 4. Adequate maintenance procedures and programs must be developed to keep vehicles and equipment in good condition. Preventive maintenance programs are required for all Section 5307/5339-funded vehicles.

VEHICLE AND EQUIPMENT MAINTENANCE

Preventative Maintenance Plan

Each transit system should have a Preventative Maintenance Plan to ensure vehicles procured with Section 5307/5339 funds are properly maintained. Preventative maintenance should be performed

as recommended by the equipment manufacturer, at a minimum, and maintenance services completed by qualified mechanics.

Expected Maintenance

As a condition for accepting Section 5307/5339 vehicles, the subrecipient must maintain in operative condition those features of vehicles that are required to make the vehicles readily accessible to and usable by individuals with disabilities. These features include, but are not limited to, lifts and other means of access to vehicles, securement devices, signage and systems to facilitate communications with persons with impaired vision or hearing.

Accessibility features shall be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, the subrecipient shall take reasonable steps to accommodate individuals with disabilities who would otherwise use the feature. This does not prohibit isolated or temporary interruptions in service or access due to maintenance or repairs.

VEHICLE AND EQUIPMENT USE

Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost that equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5,000. Equipment includes rolling stock and all other such property used in the provision of public transit service.

Vehicles and equipment shall be used in the program for which it was acquired as long as it is needed. This is true even if Section 5307/5339 funding does not continue to fund the program. All subrecipients are required to submit an “annual certificate of use” for all vehicles and equipment acquired under the Section 5307/5339 Program.

The subrecipient may make vehicles or equipment available for use in other programs or projects currently or previously supported by federal funds. However, this use may not interfere with the work on the program or project for which it was originally acquired. User fees shall be considered in this situation. Federally-funded vehicles and equipment may not be used to provide services for a fee to compete unfairly with private companies.

For other prohibited uses, please refer to the section “Other Provisions” or refer to the grant agreement.

DISPOSITION OF EQUIPMENT AND VEHICLES

Dispositions of federally-funded equipment and vehicles must be reviewed and approved by the Program Administrator. Official property records must be available upon request by the Program Administrator.

Proceeds from the sale of real property, equipment, or supplies are not program income.

Determination of Fair Market Value and Federal Interest

Fair Market Value

The fair market value for vehicles and equipment may be determined by the following methods:

- a. averaging of two independent appraisals; or
- b. determination of third-party expert.

Federal Interest

The Federal interest is determined by calculating the fair market value of the project property immediately before the occurrence prompting the withdrawal of the project property from appropriate use.

If project property is being removed from service before the end of its useful life, the Federal interest and the return to FTA is the greater of FTA's share of the unamortized value of the remaining service life per unit, based on straight line depreciation of the original purchase price, or the Federal share of the sales price (even though the unamortized value is \$5,000 or less).

For vehicles that have met their useful life, see the information in the following sections to determine federal interest.

Disposition Before the End of Useful Life

Any disposition of project property before the end of its useful life requires prior FTA approval. FTA is entitled its share of the remaining Federal interest. Records of all dispositions must be kept and more information for each disposition type can be received from either IPTC or the FTA regional office.

Like-Kind Exchange Policy

With prior FTA approval, a vehicle may be traded in or sold before the end of its minimum normal service life. In lieu of returning the Federal share to FTA, a subrecipient may elect to use the trade-in value or the sales proceeds from the vehicle to acquire a replacement vehicle of like kind. "Like Kind" is defined as a bus for a bus with a similar service life. Under the Like-Kind Exchange Policy, proceeds from the vehicle sales are not returned to FTA; instead, all proceeds are reinvested in acquisition of the like-kind replacement vehicle. If sales proceeds are less than the amount of the Federal interest in the vehicle at the time it is being replaced, the subrecipient is responsible for providing the difference, along with the subrecipient's local share of the cost of the replacement vehicle. If sales proceeds are greater than the amount of the Federal interest of the vehicles traded in or sold, the investment of all proceeds in acquisition of the like-kind replacement vehicles results in reduction of the gross project cost. Records of this action must be retained.

Transfer of Assets No Longer Needed – Non-FTA Subrecipients

For property that has not met its useful life and with prior FTA approval, the subrecipient may follow procedures for publication in the Federal Register to transfer project property (including land or equipment) to a public agency for non-public transportation use and can be approved if FTA confirms:

1. The assets will remain in public use for at least five years after the date the asset is transferred;
2. There is no purpose eligible for assistance for which the asset should be used;
3. The overall benefit of allowing the transfer is greater than the FTA interest in liquidation and return of the FTA remaining Federal interest in the asset, after considering fair market value and other factors; and
4. Through an appropriate screening or survey process (usually by following procedures for publication in the Federal Register), that there is no interest in acquiring the asset for the Federal Government use if the asset is a facility or land.

Transfer of Assets No Longer Needed – FTA Subrecipients

For property that has not met its useful life and with prior FTA approval, the subrecipient may transfer the vehicle to another FTA subrecipient. The Federal interest of the vehicles will be transferred, and therefore, there is no obligation to reimburse FTA. However, no additional FTA funds may be used to acquire the vehicles. Both subrecipients should coordinate with the Program Administrator.

In the event a subrecipient does not identify another to transfer to, IPTC may make a notice of availability to IPTC and INDOT subrecipients.

Casualty, Fire, Natural Disaster, and Misused Property

When project property is lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of the equipment or supplies immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage. If any damage to project property results from abuse or misuse occurring with the subrecipient's knowledge and consent, the subrecipient agrees to restore the project property to its original condition or refunds the value of the Federal interest in that property.

The subrecipient may fulfill its obligations to remit the Federal interest by one of the following methods:

1. With prior FTA approval, investing an amount equal to the remaining Federal interest in like-kind property eligible for assistance, if the like-kind property is within the scope of the project that provided Federal assistance for the property prematurely withdrawn from use;
2. If the subrecipient receives insurance proceeds, apply the proceeds to the cost of replacing the damaged or destroyed project taken out of service; or
3. Return to FTA an amount equal to the remaining Federal interest in the lost, damaged, destroyed, or withdrawn project property.

The Federal interest is not dependent on the extent of insurance coverage or on the insurance adjustment received. Records of this action must be retained.

Disposition After the End of Useful Life

Subrecipient to Subrecipient Transfer

For property where the useful life has been met and with prior FTA approval, a subrecipient may transfer rolling stock to another subrecipient. Both subrecipients should coordinate with the Program Administrator.

Sell and Use Proceeds for Other Capital Projects

Pursuant to a change in federal law through the IIJA, federal funds retained through disposition can no longer be applied to future capital projects.

Fair Market Value of Over \$5,000 Value

After the service life of project property is reached, rolling stock and equipment with a current market value exceeding \$5,000 per unit, or unused supplies with a total aggregate fair market value of more than \$5,000, may be retained or sold.

As amended by the Infrastructure Investment and Jobs Act (IIJA), subrecipients retains \$5,000 plus the local portion of the funding split for each vehicle disposed of.

The subrecipient's transmittal letter should state whether the equipment will be retained or sold. The subrecipient must submit a completed Disposition Request form if the equipment/vehicle will not be retained. The instructions are included on the form and the form must be approved by the Program Administrator. Use of sales proceeds are discussed elsewhere in this Section.

Fair Market Value of Less than \$5,000 Value

After the service life of project property is reached, rolling stock and equipment with a unit market value of \$5,000 or less, or supplies with a total aggregate market value of \$5,000 or less, may be retained, sold, or otherwise disposed of with no obligation to reimburse FTA. The subrecipient must submit a completed Disposition Request form to the Program Administrator if the equipment/vehicle will not be retained. The instructions are included on the form and the form must be approved by the Program Administrator.

Unused Supplies

For the disposition of supplies for which there is not transit use with a total aggregate fair market value that exceeds \$5,000, the subrecipient shall compensate FTA for its share, or transfer the sales proceeds to reduce the gross project cost of other capital project(s). Records of this action must be retained.

VEHICLE CATEGORIES AND USEFUL LIFE

Vehicle Categories

IPTC follows the FTA definitions for useful life for buses and light-duty vehicles, as outlined in FTA C5010.1.

1. Medium-size, light-duty transit buses. These include body on chassis (BOC) vehicles.
2. Light duty vehicles. These include regular and specialized vans, sedans, and light-duty buses, including those excluded from testing in the current 49 CFR 665. Examples include mobility vans.

Vehicle Useful Life

IPTC, as a non-state designated recipient, is required to use the definition of the vehicle useful life policy contained in FTA C 5010.1E.

Table 1: Vehicle Useful Life Policy

Vehicle Classification	Miles	Years
Medium-size, light duty transit bus	150,000	5
Light duty vehicles	100,000	4

The age of the vehicle is calculated from the date the vehicle is actually placed into service, and not from the vehicle model year.

Vehicle useful life may be extended through rebuilds, overhauls, or repowerings. In the event that a subrecipient is considering one of these methods to extend vehicle useful life, please contact IPTC.

Vehicle Replacement Planning and Group TAM Plan

Subrecipients should consider creating a vehicle replacement plan. Such a plan could use the vehicle useful life, either in mileage or age, as the basis for determining the replacement of vehicles. Elements to include a plan would include the number, classification, and the estimated cost of the vehicles to be replaced or added.

Subrecipients will be offered to participate in a Group TAM Plan. The subrecipient may choose to decline to participate but will need to create their own plan.

NTD REPORTING

Federal statute requires that beneficiaries of Section 5307 funds provide transit performance, financial, and asset-related data in the National Transit Database (NTD) in accordance with 49 U.S.C. 5335(a) and (b). Monthly reports on transit operations include information on vehicles (trips, miles,

hours, etc.) and annual reports include information on financial and other non-financial data. More information on the NTD can be found on the FTA's website at: <https://www.transit.dot.gov/ntd>.

IPTC PROGRAM MANAGEMENT

REPORTING

ECHO Requests

The IPTC grants team will develop a summary of all costs, based on operating and capital invoices submitted by the individual subrecipients, to be included in the ECHO request. The billing summary is then reviewed and approved by the appropriate IPTC staff.

Federal Funding Accountability and Transparency ACT (FFAT) Requirement

FTA's recipients must report the information about each first tier sub-award over \$25,000 (funds passed through to other public agencies or private nonprofit organizations) by the end of the month following the month the recipient makes any subaward or obligation (not the month after FTA awarded the direct grant). For example, if FTA awarded the grant in November, and the prime recipient did not sign subrecipient agreements until February, the FTA recipient would have until March 31 to report the subaward into the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at <https://www.fsr.gov>. Once the recipient submits an initial report, the recipient can revise it later to add additional subawards as they are made, or to change data previously submitted to reflect adjustments in subawards.

Any Indirect Costs that are included as a result of a Subrecipient's reimbursement request, will have been approved as part of that Subrecipient's cost allocation plan by IPTC. See also Section F.2.a.

Reporting

Federal Financial Reports (FFRs) and Milestone Progress Reports (MPRs) – IPTC prepares and submits all required Federal Financial Reports (FFRs) in accordance with FTA Circular C5010.1E.

IPTC requires all subrecipients receiving operating assistance to report financial and operating data on a monthly and annual basis. Failure to provide the requested reports may result in IPTC withholding future reimbursement requests under the grant agreement. IPTC may request other records and documents for compliance purposes.

MONITORING

IPTC staff monitors program compliance through regular contact and annual site visits to ensure that 5307/5339 subrecipients are complying with federal and state regulations. The reviews will be documented and provided to the subrecipients.

As part of the grant contract, the Subrecipient shall permit IPTC, FTA or any of their authorized representatives, full access to any books, documents, papers, and records relevant to the project. IPTC maintains the right to inspect all project equipment and property. The Subrecipient, IPTC, FTA

or any party with a vested interest in the project, may call a meeting to review or discuss project activities.

Review of monthly and annual reports

IPTC will review all monthly and annual reports for compliance. Areas that are identified as possible problem areas are discussed formally through written means or informally through telephone calls with local representatives for explanation and/or resolution.

Annual Site Visit and Desktop Review

IPTC will conduct annual site visits to review compliance of the subrecipient. The site visits will be coordinated with the subrecipients. In conjunction, a desktop review may be conducted. Documents may be requested prior to the visit and questions to be asked will be communicated prior to the site visit.

IPTC will submit a compliance review report to the subrecipients. This report documents the findings from the desktop and on-site review and the corrective actions that should be taken to address the findings. Non-compliance items are noted as well as any comments in areas where the system is in general compliance. Included are corrective actions that should be taken to address the areas of non-compliance. Recommended actions are those that the subrecipient should consider to implement.

Failure to correct areas of non-compliance may result in probationary actions or grant termination in the most severe cases.

Capital Asset Database

IPTC maintains a capital asset database using the property control records prepared by the subrecipients. This database is used to track capital assets and dispositions, and to cross-check information with other reporting system. The database information may be used for capital programming, such as determining the number of vehicles reaching the end of their useful life and calculating average prices for certain types of vehicles.

Title VI, DBE, EEO, LEP, EEO

IPTC requires and monitors the subrecipients compliance with Title VI (Civil Rights), Disadvantaged Business Enterprise (DBE), Equal Employment Opportunity (EEO), Limited English Proficiency (LEP) and Environmental Justice (EJ) requirements by apprising them of their responsibilities, collecting documentation of compliance via site visits and requesting the submission of applicable reports. Documentation includes but is not limited to: monthly Disadvantaged Business Enterprise utilization reports, Good Faith Effort documentation for procurement, the impact of subrecipient service provision on minorities and individuals with disabilities, and workforce composition of transit system personnel.

Lobbying

IPTC requires and monitors the conformance with Federal Restrictions on Lobbying through on-site compliance review questions; in addition, IPTC will review all applicable procurement documents for the presence of the Lobbying Certification. Lobbying restrictions apply to grants, contracts, and cooperative agreements involving \$100,000 or more (Section 319 of Public Law 101-121).

Financial Management

IPTC and its subrecipients will dispense and account for program funds in accordance with all applicable state codes. IPTC financial management practices provide data used to compile current financial reports such as required by the most recent version of FTA Circular 9040.1 and 5100.1. IPTC monitors subrecipient expenditures, checking for eligibility and conducts periodic site visits of its subrecipients during which time random invoices may be traced throughout the local accounting system.

AUDITING AND PROJECT CLOSE-OUT

Per federal regulations to ensure compliance, Post-Award program audits are required by beneficiaries of federal transit fund assistance. The subrecipient is responsible for securing organization-wide or 5307/5339 grant specific audits. All audits performed on subrecipients under the Section 5307 program shall be in accordance with the requirements of 2 CFR 200.

Auditing

The legally authorized auditing body for all subrecipients (units of local government - cities, counties, towns, etc.) is the State Board of Accounts. Subrecipients that contract with private companies for transit service must require that these companies provide them with their annual audit. The subrecipient is responsible for reviewing all sub-contractors' audit reports and appropriately resolving any findings. These sub-contractors' audits must be submitted to IPTC for review and acceptance.

Project Close-out

IPTC will initiate project closeout with subrecipients within 90 days after all funds are expended and all work activities for the project are completed. IPTC will initiate Program of Project (POP) closeout with FTA within 90 days after all work activities for the POP are completed. IPTC will electronically submit a final Financial Status Report (SF 269A), final budget, and final POP via TrAMS, FTA's Transit Award Management System, at the time of closeout.

PROCUREMENT

IPTC will review all documents related to procurement for both Section 5307 and 5339 grants. Subrecipients should demonstrate compliance and be able to produce relevant documentation for each procurement.

Consistent with Federal requirements as contained in the most recent version of FTA Circular 4220.1F, IPTC has set a maximum period of performance of four (4) years for all subrecipient third party contracts, such as property, including rolling stock, services, leases, construction, revenue, etc.

IPTC Section 5307/5339 procurement practices will comply with five specific Federal requirements contained in the current FTA Circular 4220.1F. These include the following:

- 1) For rolling stock, a four year limitation on contract period of performance;
- 2) A requirement for full and open competition;
- 3) A prohibition against geographic preference;
- 4) the use of Brooks Act procedures for procurement of architectural and engineering services if IPTC has not adopted a statute governing procurement of such services and
- 5) inclusion in contracts of all Federal clauses required by Federal statutes and Executive Orders and their implementing regulations.

Standards

- a Competition: All procurement will be conducted in a manner providing for full and open competition.
- b Code of Conduct: Subrecipients must have a written code of conduct governing the performance of their employees engaged in the award and administration of contracts. Employees of the subrecipient shall not participate in selection, award, or administration of contract supported by federal and state funds if a conflict of interest, real or apparent, is involved.
- c Purchase Review: Subrecipients must develop a process for reviewing purchases to avoid unnecessary and duplicate items. Consideration must be given to the most economical approach. Where appropriate, an analysis of lease versus purchase shall be made. All subrecipients are encouraged to use intergovernmental agreements, where possible.
- d Contract Cost and Price Analysis for Every Procurement Action: Subrecipients shall perform a price or cost analysis with every procurement, including contract modifications. As a starting point the subrecipient must make an independent estimate before receiving bids or proposals. Usually a price analysis will be used to determine the reasonableness of the proposed contract price. This may also be established based on the catalog or market price of products sold in substantial quantities to the public, or based on price set by law. A cost analysis is required when the bidder is required to submit the cost elements of his estimated price (e.g., under professional service contracts such as, consulting or architectural and engineering). Also, a cost analysis is necessary when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation. [FTA C 4220.1F, VI, 6.]

- i Independent Cost Estimate: The process for developing an Independent Cost Estimate will vary depending on the nature of the procurement. For construction projects, the engineering firm preparing the designs and specifications will usually be able to provide a cost estimate. For purchases, such as vehicles, software or equipment, a variety of sources can be considered. For more standardized items, pricing research can be conducted by seeking publically available cost information, such as pricing information provided by suppliers of similar products. For more specialized purchases, such as specialized transit software or vehicles with special equipment, the staff conducting the procurement can seek cost information from other transit agencies which may have recently made similar purchases. For services to be performed on an hourly rate basis, recent past internal procurement rate information for similar services, or information from other transit agencies who have secured similar services may be used. In all instances, the Independent Cost Estimate should provide a reasonably accurate summary of the expected costs of the items or services procured, using recent or current cost information, so that an accurate cost or price analysis can be conducted once proposals or bids have been received.
- e Profit: Subrecipients must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. [FTA C 4220.1F, VI, 6.a.(3)]
- f Federal Cost Principles: Costs or prices based on estimated costs for grant contracts will be allowable only to the extent that costs incurred of cost estimates included in negotiated prices are consistent with Federal cost principles. Subrecipients may reference their own cost principles that comply with applicable Federal cost principles.
- g Required Federal and State Clauses: All procurements and resulting contracts must include all required federal and state clauses. Copies of these clauses are made available to the Subrecipients in the Section 5307/5339 grant application and further identified in the Section 5307/5339 grant assistance contracts between IPTC and its subrecipients.
- h Contract Awards to Responsible Vendors: Subrecipients may only award contracts to responsible contractors possessing the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract and who demonstrate that its proposed subcontractors also qualify as responsible. Subrecipients must consider such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources when making a determination of contractor responsibility. Subrecipients must also ensure that the contractor is not listed as a debarred or suspended contractor on the System for Award Management (SAM), which is maintained by the General Services Administration (GSA), at the time of contract award. Entities that are listed as debarred or suspended contractors on SAM may not be determined to be responsible contractors by the subrecipient.
 - i Responsible Bidder: To designate a prospective contractor "responsible" as required by 49 U.S.C. § 5325, the subrecipient, at a minimum, must determine and ensure that the prospective contractor satisfies the following criteria described herein. In addition to being otherwise qualified and eligible to receive the contract award under applicable laws and regulations, a responsible contractor:

- 1 Integrity and Ethics – Has a satisfactory record of integrity and business ethics, in compliance with 49 U.S.C. Section 5325(j)(2)(A).
 - 2 Debarment and Suspension – Is neither debarred nor suspended from Federal programs under DOT regulations, “Nonprocurement Suspension and Debarment,” 2 CFR Parts 180 and 1200, or under the FAR at 48 CFR Chapter 1, Part 9.4.
 - 3 Current Performance – Satisfactory current performance record; and
 - 4 Past Performance – Satisfactory past performance record in view of its records of long-time performance or performance with a predecessor entity, including:
 - 5 Sufficient Resources. Key personnel with adequate experience, a parent firm with adequate resources and experience, and key subcontractors with adequate experience and past performance,
 - 6 Adequate Past Experience. Past experience in carrying out similar work with particular attention to management approach, staffing, timeliness, technical success, budgetary controls, and other specialized considerations as described in the recipient’s solicitation, and
 - 7 Any Past Deficiencies Not the Fault of the Bidder or Offeror. A prospective bidder or offeror that is or recently has been seriously deficient in contract performance is presumed to be nonresponsible, unless the recipient determines that the circumstances were properly beyond the bidder or offeror’s control, or unless the bidder or offeror has taken appropriate corrective action. Past failure to apply sufficient tenacity, perseverance, and effort to perform acceptably is strong evidence of non-responsibility. Failure to meet the quality requirements of a contract is a significant factor to consider in determining satisfactory performance. IPTC expects subrecipients to consider the number of the bidder or offeror’s contracts involved and the extent of deficient performance in each contract when making this determination.
- i Contract Administration: Subrecipients must maintain a contract administration system, which ensures that contractors perform in accordance with the terms, conditions, and specifications of all purchases.
 - j Contract Records: Subrecipients shall maintain records to sufficiently detail the procurement history. At a minimum this should include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
 - k Subrecipients are responsible for resolving all contractual and administrative issues arising out of procurement. Violations of law should be referred to the proper local authority having jurisdiction. If there is no local authority, the matter should be referred to IPTC. Subrecipients must have protest procedures to handle and resolve disputes relating to their procurement. A protestor must exhaust all administrative remedies with the subrecipient before pursuing protest with IPTC.
 - l Contract Administration: Subrecipients must maintain a contract administration system, which ensures that contractors perform in accordance with the terms, conditions, and specifications of all purchases.
 - m Contract Records: Subrecipients shall maintain records to sufficiently detail the procurement history. At a minimum this should include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
 - n Disputes and Protests: Subrecipients are responsible for resolving all contractual and administrative issues arising out of procurement. Violations of law should be referred to the proper local authority having jurisdiction. If there is no local authority, the matter should be referred to IPTC. Subrecipients must have protest procedures to handle and resolve disputes

relating to their procurement. A protestor must exhaust all administrative remedies with the subrecipient before pursuing protest with IPTC.

Purchasing and Leasing – Methods of Procurement

Generally, purchases and leases (procurement) made under the Section 5307 program will be made through Sealed Bid (formal advertising) method. All procurements must be conducted in accordance with [Indiana Code \(I.C.\) 5-22-7 Competitive Bidding](#) and federal regulations, where applicable.

Micro-Purchases – Threshold: \$0 - \$3,499

An exception to the formal procurement method is the case of purchases under \$3,500 (i.e., micro-purchases), or other lower threshold that subrecipients may set as they deem appropriate for purchases. Purchases below that threshold may be made without obtaining competitive quotations.

For micro-purchases, IPTC requires the subrecipient to, at a minimum, justify that the price for the procurement is fair and reasonable, and maintain written documentation about how that determination was derived. IPTC believes that determination may be completed quickly and efficiently in several ways. One possible method would be for the official tasked to review and authorize payment of a bill to annotate a finding such as “I have examined the expenditures reflected on this bill and determine that each reflects a reasonable price based on market price offered by vendors to the general public.”

Procurements may not be divided merely to fall within the micro-purchase limit.

Small Purchases – \$3,500 - \$150,000

Purchases and leases of \$3,500 up to \$150,000 or more are considered small purchases, therefore, relatively simple and informal procurement methods may be used. Small purchase procurement requires inclusion and acceptance of applicable federal clauses.

If the subrecipient has small purchases procedures which meet federal guidelines, or which are more strict, then the subrecipient’s procedures may be followed. If the subrecipient does not have small purchase procedures, then they may invite quotes from at least three vendors known to deal in the type of purchase or lease being made. Copies of quote forms and all supporting documentation must be submitted with the Subrecipient’s invoice for reimbursement.

A quotation should be solicited from other than the previous supplier before placing a repeat order. Whether quotations are solicited orally or in writing, the purchase record file should contain the following information:

- a. Name, address, and telephone number;
- b. Pertinent details on the offered items (make, model, etc.);
- c. Unit price and total price;
- d. Discount terms;

- e. Delivery times;
- f. FOB point;
- g. Small, minority, and disadvantaged business information as appropriate;
- h. The person who provided the quote; and
- i. The time and date of the quote.

If the subrecipient receives a satisfactory quote, the subrecipient shall award the contract to the lowest responsible and responsive offeror. The subrecipient may reject all quotes.

Invitation For Bids (IFBs) –Procurement by Sealed Bids: Over \$150,000

State law ([I.C. 5-22-7](http://www.in.gov/legislative/ic/2004/title5/ar22/ch7.html) – <http://www.in.gov/legislative/ic/2004/title5/ar22/ch7.html>) requires purchasing by IFB, or Sealed Bids, for purchases and leases of equipment over \$150,000. The formal advertisement notice must be published in accordance with [I.C. 5-3-1 Publication of Notices](http://www.in.gov/legislative/ic/2004/title5/ar3/ch1.html) (<http://www.in.gov/legislative/ic/2004/title5/ar3/ch1.html>). Bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the lowest responsible, responsive bidder. In addition to the published notice, IPTC strongly recommends direct solicitation to known vendors.

The subrecipient is responsible for preparing the bid contract and specification, advertising and soliciting bids, receiving and reviewing bids, and awarding the contract to the lowest responsible and responsive bidder or to the bidder with the best value. Bids will be opened only at a time and place listed in the solicitation, and at least one (1) witness must be present. **The solicitation documents must include detailed information on the location and time of the public bid opening information, and any access requirements at the location.**

An exception to the sealed bid requirement is for the solicitation of professional services. This is described in the request for proposals (RFP) method of procurement.

Request for Proposals-Procurement By Competitive Proposals

A Request For Proposals (RFP) is the method generally used when conditions are not appropriate for the use of sealed bids and when it is allowed by State law ([I.C. 5-22-9](http://iga.in.gov/legislative/laws/2015/ic/titles/005/)– <http://iga.in.gov/legislative/laws/2015/ic/titles/005/>).

One situation mentioned earlier is for the development of specifications. Also, a subrecipient may use the RFP method for the procurement of architectural, engineering, program management, construction management, planning and feasibility studies, and land surveying services. Services of architects, engineers, and land surveyors must be procured in accordance with [I.C. 5-16-11.1](https://iga.in.gov/legislative/laws/2015/ic/titles/005/) (<https://iga.in.gov/legislative/laws/2015/ic/titles/005/>).

If the RFP method is used, the following requirements apply:

- The request must identify all evaluation factors and their relative importance, including cost as a factor. Please note that cost may not be used as an evaluation factor for architectural and
- engineering services, in accordance with the Brooks' Amendment;

- Any bonding requirements or other evidence of financial responsibility;
- Solicitation of an adequate number of qualified vendors;
- Subrecipient must have a written method for conducting technical evaluation for the proposals; and
- Contract award will be made to the responsible vendor whose proposal is determined in writing to be the most advantageous to the program.

Sole Source Procurement

When a subrecipient requires products or services available from only one responsible source, and no other products or services will satisfy its requirements, a subrecipient may make a sole source award with the prior approval of INDOT. Sole source awards are only appropriate when one of the following conditions apply:

- Unique Capability or Availability – The products or services are available from only one source if one of the conditions described below is present:
 - Unique or Innovative Concept – The offeror demonstrates a unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the subrecipient only from one source and has not in the past been available to the subrecipient from another source.
 - Patents or Restricted Data Rights – Patent or data rights restrictions preclude competition.
 - Substantial Duplication Costs – In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.
 - Unacceptable Delay – In the case of a follow-on contract for the continued development or production of a highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the subrecipient’s needs.

In addition, when a subrecipient requires an existing contractor to make a change to its contract that is beyond the scope of that contract, the subrecipient must treat the changes as if the subrecipient has made a sole source award that must be justified.

IPTC must review and approve all sole source procurements prior to any contract award.

IPTC Review

All bid contracts, invitation for bids, and request for proposals for purchases or leases of \$25,000 or greater must be submitted to IPTC for review. In addition, subrecipients must make all technical specifications available for review, when IPTC believes such a review is needed to ensure that the purchase or lease specified is consistent with the grant award. Also, subrecipients must make available all procurement documentation upon request by IPTC.

EQUIPMENT MAINTENANCE

Vehicle Maintenance

As part of IPTC’s annual site visits and compliance review processes, intervals for preventative maintenance (PM) may be reviewed. At a minimum, 80% of PMs must be performed on time using the Vehicle Maintenance Interval Chart. IPTC may request additional reporting from individual systems on a case-by-case basis.

Vehicle Maintenance Interval Chart

Vehicle Model Year	# of PM Events Examined	Date - First Event Recorded	Date - Last Event Recorded	Total Mileage: In Period	On-Time (Within +/- 10%)	No. Early/Late		Percentage On-Time
						Early	Late	
183/2006	20	9/22/2009	10/04/2012	36,847	16	3	1	80%
186/2010	11	7/2/2010	09/28/2012	38,330	9	1	1	82%
Total					25	6	9	81%

¹“On-time” maintenance events are those that occur within +/- 10 percent of the established interval. For Bus 183, this interval is 3,000 miles (e.g., on-time events are performed at 2,700 to 3,300 mile intervals). For Bus 186, this interval is 5,000 miles (e.g., on-time events are performed at 4,500 to 5,500 mile intervals). For purposes of compliance, early and on-time events are counted towards on-time performance.

VEHICLE & EQUIPMENT USE

IPTC will annually review the vehicle and equipment use of Section 5307/5339 funded capital purchases.

SATISFACTORY CONTINUING CONTROL

IPTC and the subrecipients must maintain satisfactory continuing control over facilities and equipment and ensure that they are used in transit service. A subrecipient must demonstrate control and use as required in FTA Circular 5010.1E. IPTC will monitor these stipulations through the compliance reviews. Any change in the use of vehicles or equipment must be approved by IPTC. SCC requirements are outlined in the Satisfactory Continuing Control section. All records should be available for IPTC or FTA inspection.

FACILITY CONSTRUCTION AND RENOVATION

Facility is defined as any building which was constructed in whole or in part with Federal Transit Administration (FTA) funds. The subrecipient must determine whether the construction of an administration building, storage facility, garage or other type of construction will have a significant impact on the environment and may proceed only after conducting an environmental impact study or obtaining a categorical exclusion.

Title VI regulations require that subrecipients perform a Site Equity Analysis to assess the potential impact of new construction on minority communities. Such an analysis may be a part of an environmental impact analysis.

Section 5307 subrecipients must use competitive proposal methods for obtaining architectural and engineering services. Guidance is provided in Federal Transit Administration Circular 4220.1F.

A subrecipient must maintain procedures for facility construction and renovation using Section 5307/5339 funds. IPTC requires that these procedures include:

1. Adequate staff organization with well-defined reporting relationships, statements of functional responsibilities, job descriptions, and job qualifications;
2. A budget covering the project management organization, appropriate consultants, property acquisition, utility relocation, systems demonstration staff, audits and miscellaneous payments the subrecipient may be prepared to justify;
3. A construction schedule;
4. Organizational structures, management skills, and staffing levels required throughout the construction phase; and
5. Internal plan implementation and reporting requirements, including cost and schedule control procedures

IPTC will monitor facility construction and renovation projects by requiring monthly submission of project budget and project schedule updates. The monthly submittal may be reduced to bimonthly depending upon the project progress.

Adequate maintenance procedures must be implemented to protect federally funded facilities and ADA accessibility features from damage and deterioration. OMB Circular A102 stipulates that periodic physical inventory of properties is taken to determine its condition. IPTC will conduct compliance reviews during which time subrecipients must show documentation of periodic inspections and regular maintenance procedures designed to protect the investment of federal funds.

IPTC will also monitor all transit facilities for compliance with ADA accessibility features. The subrecipient is responsible for implementing the ADA Accessibility Guidelines found in 49 CFR 37 and providing an accessible environment throughout its facilities. Other aspects of facility accessibility include a transit system's provision for the use of service animals, portable oxygen tanks and personal care attendants. IPTC will review a subrecipient's written policies and staff training concerning ADA service provisions to determine compliance with 49 CFR 37.161.

LOCAL COMPLAINTS

The subrecipient is required to resolve any complaints from transportation providers resulting from a local decision or interpretation concerning the Section 5307 program. The subrecipient is required to keep record of correspondence related to the issue, information used in making its decision and the process used in resolving the issue.

If the complaint is not satisfactorily resolved, the originating party may appeal the subrecipient's decision to IPTC. IPTC will review and resolve within a timely matter.

OTHER PROVISIONS

IPTC will execute the annual certifications and assurances with the submission of the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program, Program of Projects. All FTA Section 5310 applicants are required to execute and submit all required certifications and assurances as outlined in FTA C 9045.1 and FTA C 9050.1. IPTC will monitor compliance with all of these provisions during the application process and as part of site visits throughout the operation of the project. Further clarification on specific provisions is offered below.

Exclusive School Transportation

Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program applicants are not permitted to provide exclusive school bus service and will indicate this by executing the appropriate agreement as part of their grant contract.

Drug and Alcohol Testing

IPTC subrecipients receiving Section 5307 funds must comply with any state and federal regulations regarding drug and alcohol testing. Subrecipients must annually certify that they are compliant with DOT and FTA regulations concerning Drug and Alcohol Testing

Restrictions on Lobbying

All Section 5307 vendors are required to execute the restrictions on lobbying certification. IPTC will monitor conformance with Federal Restrictions on Lobbying through on-site compliance review questions, in addition IPTC will review all applicable procurement documents for the presence of the Lobbying Certification. Lobbying restrictions apply to grants, contracts, and cooperative agreements involving \$100,000 or more (Section 319 of Public Law 101-121).

Miscellaneous Requirements

Section 5333(b)

Requires the subrecipient to comply with applicable labor requirements and protective provisions for employees of surface transportation providers. Title 49 U.S.C. 5333(b) requires that the interests of employees affected by assistance under most FTA programs shall be protected under arrangements the Secretary of Labor concludes are fair and equitable. Employee protections under Section 5333(b) are required for the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program.

Charter Rule

FTA subrecipients are prohibited from providing any charter service using FTA-funded equipment or facilities if there is at least one private charter service operator willing and able to provide that service that the subrecipient is proposing to provide. There are seven exceptions that are explained in the rule, 49 CFR Part 604.

IPTC does not allow Charter Service.

Commercial Driver's License

All drivers of vehicles designed to transport more than 16 persons (including the driver) must have a commercial driver's license (CDL). Mechanics that drive the vehicles must also have a CDL.

Lease Versus Buy Considerations

Capital funds may be used to lease capital assets from another party in cases where it is determined that leasing would be more cost effective than either purchasing or constructing the asset. Cost effectiveness comparisons must be conducted in accordance with 49 CFR Part 639.

FTA Safety Jurisdiction and Public Transportation Agency Safety Plans

Failure to correct any condition FTA believes "creates a serious hazard of death or injury" will result in loss of federal assistance.

All subrecipients of Section 5307 operating funds are required to adopt a public transportation agency safety plan and adhere to the requirements within.